

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Capital Guardian	3.32%	2.59%	15.86%	16.00%	n/a
MSCI World	2.64%	3.30%	16.26%	16.98%	n/a

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

World Markets - August: Global equity markets rose in August, led by a rebound in technology shares. Energy stocks were an exception to the trend, declining with the price of oil. Bond returns were strong as intermediate- and long-term yields declined across all major markets. The Japanese yen weakened, hitting an all-time low against the euro.

August Portfolio Attribution: Overwhelming, stock selection in U.S. Information Technology helped our outperformance with Sandisk Corp (1.1%) up 26.3%, Cisco Systems (1.2%) gaining 23.2%, Altera Corp (0.6%) up 16.9%, Xilinx Inc (0.7%) up 13.2%, Applied Materials (1.1%) returning 7.6%, and Microsoft Corp (1.0%) up 7.3%. Stock selection in Telecomm hurt a bit.

Rolling 3-month Attribution: Stock selection in U.S. names hurt (e.g., Sprint Nextel, Xilinx Inc, Washington Mutual, Baker Hughes) as did Telecomm (e.g., Softbank Corp, Sprint Nextel, Vodafone). Stock selection in Health Care helped (e.g., Astrazeneca, Forest Labs, Allegan Inc).

Outlook and Strategy: Stocks should be supported by global economic growth, with the resurgence of economies in Europe and Japan adding to continued healthy expansions in the U.S. and many emerging markets. Equity valuations appear attractive, especially when compared to bonds, even after the recent rise in yields.

Despite the second quarter's stock market decline, our secular thesis on Japan remains intact. Economic growth is widening to embrace the consumer and private investment markets, and improved economic fundamentals, such as the rising employment rate, are good signs. These elements help to create a much stronger backdrop to the market, unlike previous declines between 1993 and 2003, and underpin our belief in a sustainable recovery.

ORGANIZATIONAL/PERSONNEL CHANGES

None.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	1	Total Market Value (\$m):	\$	6,000.0
	Reason(s):	Client consolidating their DC accounts.			

MANAGER STYLE SUMMARY

Capital Guardian is a "bottom-up" manager, focusing on individual security selection in light of macroeconomic factors (country, sectors, currency). Capital Guardian's investment process is unique in that it is essentially a portfolio of 10 independently managed portfolios consisting of one U.S., one North America, three non-U.S., and five global managers (one of which is the research portfolio). Portfolio manager allocations are based on portfolio management experience.

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PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	CGTC	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues	256			200	250	check
B5. Normal Country Exposures:						
United States	41%				75%	ok
Emerging Markets	3%				10%	ok
The following are limited to the larger of 25% of the total portfolio or 2 times the MSCI World benchmark weight:						
Japan	11%	13%	1.2		25%	ok
United Kingdom	11%	10%	0.9		25%	ok
Germany	3%	3%	0.9		25%	ok
France	5%	6%	1.3		25%	ok
Switzerland	3%	4%	1.3		25%	ok
The following are limited to the larger of 10% of the total portfolio or 3 times the MSCI World benchmark weight:						
Other MSCI World (incl Can)	17%	19%	1.1		10%	ok
B6. Normal International Portfolio Characteristics (MSCI EAFE)						
Capitalization (wtd avg)	56	53	95%	60%	100%	ok
Price/Earnings (trail)	15.0	17.0	113%	80%	135%	ok
Dividend Yield	2.7	2.1	80%	80%	105%	ok
Price/Book Value	2.3	2.4	103%	90%	120%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization (wtd avg)	75	71	94%	40%	75%	check
Price/Earnings (trail)	16.5	16.3	99%	90%	125%	ok
Dividend Yield	1.8	1.5	84%	70%	110%	ok
Price/Book Value	2.7	2.7	103%	70%	105%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover	32%				120%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues: The portfolio holds more than one issue of some securities. Total number of ISSUERS however is 246.

B7. Capitalization (wtd avg): Through our bottom-up stock selection process, we are holding names that on average have a relatively high market capitalization.

Other: Securities that are not readily marketable: None.